

MEDICAID PAYMENT SYSTEM IN VIRGINIA BY PROVIDER TYPE

Page 4-32

Provider Type	Unit of Payment	Basis of Payment	Automatic Updates	Other Features	Limits	State Plan Reference
Physicians and other practitioners	Procedure	Fee schedule (RBRVS times conversion factor)	None	Psychologists paid 90% of psychiatrist rate; LCSW/LPC/CNS-Psychiatric paid 75% of psychologist rate; Assistant Surgeon paid 20% of surgical rate.	Established reimbursement rate on fee file	Attachment 4.19-B §6.A.1, 2, 3, 4, 5, 9 and 11 and Supplement 4
Acute Care Hospitals	Discharge/transfer	DRG relative weight times hospital specific operating rate per case (effective 7/1/98)	Annual inflation adjustment; recalibrated and rebased at least every 3 years	Outlier payments; quarterly DSH adjustment for Medicaid/indigent dependent hospitals; additional payments for allowable costs of depreciation, capital interest and medical education; indigent care costs	Estimate of aggregate payments under Medicare principles of reimbursement, reasonable cost or usual charge	Attachment 4.19-A, Article 3 Effective July 1, 2000
Psychiatric and Rehabilitation Hospitals	Day	Hospital specific prospective operating cost rate	Annual inflation adjustment	Quarterly DSH adjustment for Medicaid/indigent dependent hospital; additional payments for allowable costs of depreciation, capital interest and medical education	Reasonable cost or usual charge	Attachment 4.19-A
Long-term Care Hospitals and State Mental Facilities	Day	Hospital specific prospective operating cost rate	Annual inflation adjustment	Quarterly DSH adjustment for Medicaid/indigent dependent hospital; additional payments for allowable costs of depreciation, capital interest and medical education	Reasonable cost or usual charge	Attachment 4.19-A
Nursing Facilities	Day	Nursing home specific prospective operating cost and plant cost rates minus third party and personal pay responsibility; costs determined under Medicaid/Medicare principles of reimbursement plus NATCEPS cost	Annual inflation adjustment	Direct operating cost rate adjusted for service intensity mix (3 levels); separate rates for Specialized Care	Actual charge, Medicaid limits on operating costs and plant costs	Attachment 4.19-D and supplement
Hospital Outpatient, Rehabilitation Services and Clinics (including FQHCs and RHCs)	Service or visit	Cost settlement based on Medicare cost reimbursement principles	Not applicable	None	Medicaid rate or actual charge. FQHC and RHC are paid per diem limit regardless of charges.	Attachment 4.19-B §2.D.2 and §5.C.6
Renal Dialysis Clinics, Ambulatory Surgical Centers and Health Dept. Clinics	Service or visit	Fee schedules	None	None	Medicaid rate or actual charge	Attachment 4.19-B §6.A.7 and 15
Home Health	Service or visit	Separate fee schedules for No. Va., rest of the state and VDH clinics	Annual inflation adjustment	None	Medicare upper limit, Medicaid rate or actual charge	Attachment 4.19-B §6.A.13 and Supplement 3

Continued

**MEDICAID PAYMENT SYSTEM IN VIRGINIA
BY PROVIDER TYPE (Continued)**

Page 4-33

Provider Type	Unit of Payment	Basis of Payment	Automatic Updates	Other Features	Limits	State Plan Reference
Hospice	Day or hour	Rates vary for routine home care, continuous home care (min. 8 hrs.) and inpatient respite care (max. 5 days) and general inpatient care	Annual inflation adjustment	DMAS pays 95% of inpatient nursing facility rate.		Attachment 4.19-B §6.B and Supplement 1 to Attachment 3.1-A&B/pg.33 #18)
Drugs	Prescription Metric quantity	Cost (AWP-10.25%) plus \$3.75 dispensing fee (limit 1 per month)	Not applicable	None	CMS upper limit or the Va. Maximum Allowable Cost	Attachment 4.19-B §6.C
Clinical Lab and X-Ray	Procedure	Fee schedule	None	None	Medicaid rate or actual charge based on the service indicated being either global or technical or professional.	Attachment 4.19-B §6.A.8 and 10
DME and other medical supplies	Per day	Fee schedule or actual charge	None	Alternative per diem methodology for home infusion therapies planned	Medicaid rate or actual charge	Attachment 4.19-B §6.A.6 and 12
Transportation – Air and Ground Emergency Only	Miles/wait time	Rate schedule varies depending if it is air or ground ambulance transportation	None	Delete this since does not apply.	Medicaid rate or actual charge	Attachment 4.19-B §6.F
Home and Community Based Waivers	Hour, day or service	Separate fee schedules for No. Va. and rest of the state; see individual waiver	None	None	Limits on service specified in waivers	None
Adult Care Residences	Day	\$3 for regular assisted living (non-Medicaid); \$6 for intensive assisted living (Medicaid waiver)	None	Recipients also receive state financed auxiliary grants through DSS	\$90.00 regular assisted living per month \$180.00 intensive assisted living per month	None

NOTE: This table illustrates basic features of payment policies for these provider types. Special exceptions or policies generally are not included.

File: reimbursement-06.doc
Originator: Bonnie Winn, R.N.
Date: December 20, 2006